

SB3204



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB3204

Introduced 11/30/2006, by Sen. Martin A. Sandoval

SYNOPSIS AS INTRODUCED:

35 ILCS 5/212

Amends the Illinois Income Tax Act. Increases the amount of the earned income tax credit from 5% to 25% of the amount of the federal tax credit.

LRB094 22077 BDD 60688 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 212 as follows:

6 (35 ILCS 5/212)

7 Sec. 212. Earned income tax credit.

8 (a) With respect to the federal earned income tax credit
9 allowed for the taxable year under Section 32 of the federal
10 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 in an amount equal to: (i) 5% of the
13 federal tax credit for each taxable year beginning on or after
14 January 1, 2000 and ending on or before December 30, 2007; and
15 (ii) 25% of the federal tax credit for each taxable year ending
16 on or after December 31, 2007.

17 For a non-resident or part-year resident, the amount of the
18 credit under this Section shall be in proportion to the amount
19 of income attributable to this State.

20 (b) For taxable years beginning before January 1, 2003, in
21 no event shall a credit under this Section reduce the
22 taxpayer's liability to less than zero. For each taxable year
23 beginning on or after January 1, 2003, if the amount of the
24 credit exceeds the income tax liability for the applicable tax
25 year, then the excess credit shall be refunded to the taxpayer.
26 The amount of a refund shall not be included in the taxpayer's
27 income or resources for the purposes of determining eligibility
28 or benefit level in any means-tested benefit program
29 administered by a governmental entity unless required by
30 federal law.

31 (b-5) Refunds authorized by subsection (b) are subject to
32 the availability of funds from the federal Temporary Assistance

1 for Needy Families Block Grant and the State's ability to meet
2 its required Maintenance of Effort.

3 (c) This Section is exempt from the provisions of Section
4 250.

5 (Source: P.A. 93-534, eff. 8-18-03; 93-653, eff. 1-8-04.)